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**CITY PLANNING COMMISSION** 208 Coleman A. Young Municipal Center

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June 29, 2022

Brenda Goss Andrews Kenneth R. Daniels David Esparza, AIA, LEED Ritchie Harrison Gwen Lewis Melanie Markowicz Frederick E. Russell, Jr.

## HONORABLE CITY COUNCIL

## **RE:** Neighborhood Enterprise Zone Certificate Applications for the rehabilitation of a 48unit residential apartment building located at 660 Hazelwood in the Central Detroit Christian Neighborhood Enterprise Zone area (RECOMMEND APPROVAL)

The office of the City Planning Commission (CPC) has received six applications requesting Neighborhood Enterprise Zone (NEZ) certificates for the rehabilitation of a 48-unit residential apartment building located at 660 Hazelwood. The City Council recently approved NEZ certificates for the adjacent 40-unit apartment building by the same developer. The six certificates for 660 Hazelwood are divided as follows:

- Apartments 101 and 103-109
- Apartments 001, 003-005 and 008-011
- Apartments 110-111, 201-203 and 205-207
- Apartments 208-211, 301-303 and 305
- Apartments 306-311 and 401-402
- Apartments 403 and 405-411

The property is located on the north side of Hazelwood between 2<sup>nd</sup> and 3<sup>rd</sup> Streets, which is generally west of Woodward and south of Clairmount. The building is located within Council District 5. Below is a map of the location and an image of the building. The site is presently a vacant apartment building with 4 stories

The request is for a 15-year abatement to create 48 rental units. The developer estimates spending \$55,556 per unit. Proposed improvements include demolition, repair or replacement of windows and doors, HVAC, plumbing, electrical, elevator, and roof, and exterior work.

The developer will offer 20% of the rental units to those not earning more than 80% of the Detroit SMSA area median income (AMI). Therefore, 10 units will be guaranteed to be affordable. The developer intends to offer 1 studio, 7 one-bedroom, and 2 two-bedroom affordable units. However, the developer expects the building to be naturally affordable at 55-70% AMI. The proposed rents are as follows: studios \$875/month (\$2.60/square feet), one-bedroom \$975/month (\$2.11/square feet), and two-bedrooms \$1,095/month (\$1.88/square feet).

It appears the NEZ certificate applications have been submitted prior to the issuance of applicable building permits – the NEZ Act (Act 147 of 1992) states the applications must be filed before a building permit is issued. The petitioner submitted NEZ certificate application dated April 20, 2022, to the City Clerk's office.

The subject property has been confirmed as being within the boundaries of the Central Detroit Christian NEZ which was established by a vote of City Council on January 19, 2010. CPC staff has reviewed the applications and recommends approval. The City Clerk's office is submitting a resolution for Your consideration. Please contact our office should you have any questions.

Respectfully submitted,

Marall R. f.M. J.

Marcell R. Todd, Jr., Director CPC Christopher J. Gulock, AICP, Planner

cc: Janice Winfrey, City Clerk Angela Jones, City Clerk



## Resolution

By Council Member

**WHEREAS**, Michigan Public Act 147 of 1992 allows the local legislative body to establish Neighborhood Enterprise Zones for the purpose of providing exemption from ad valorem property taxes, and the imposition of specific tax in lieu of ad valorem taxes; and

**WHEREAS**, The Detroit City Council has established a Neighborhood Enterprise Zone for the following area, in the manner required by and pursuant to Public Act 147 of 1992.

**NOW, THEREFORE, BE IT RESOLVED,** That the Detroit City Council approves the submission of the application to the State Tax Commission, and, if applicable, the City Council concurs with the issuance of the certificate if the application was filed not more than 6 months after the date of the issuance of a building permit for the facility.

**BE IT FINALLY RESOLVED**, That the Detroit City Council approve the following for receipt of a Neighborhood Enterprise Zone Certificate for a fifteen-year period:

<u>Zone</u> Central Detroit Christian	<u>Address</u> 660 Hazelwood (Units 001, 003-005 and 008-011)	<u>Application No.</u> 07-0825
Central Detroit Christian	660 Hazelwood (Units 101 and 103-109)	07-0826
Central Detroit Christian	660 Hazelwood (Units 110-111, 201-203 and 205-207)	07-0827
Central Detroit Christian	660 Hazelwood (Units 208-211, 301-303 and 305)	07-0828
Central Detroit Christian	660 Hazelwood (Units 306-311 and 401-402)	07-0829
Central Detroit Christian	660 Hazelwood (Units 403 and 405-411)	07-0830